

## Exhibit 11

## DISCLOSURE OF TAX SCANDAL

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## MONEY

# Former Minister of Taxation on the dividend scandal : civil service has failed

Important information never reached the minister, says Benny Engelbrecht (S).



Current Minister of Transport and former Minister of Taxation Benny Engelbrecht (S) arrives at the Commission on Tax in the Court of Frederiksberg. (Photo: liselotte sabroe © Scanpix)

BY JAKOB USSING

NOV 25, 2020 NOTE: THE ARTICLE IS MORE THAN 30 DAYS OLD

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It is not often that a minister criticizes the civil service in public.

But former Tax Minister Benny Engelbrecht (S) was clear in his speech when he was questioned by the Tax Commission today.

A commission that is trying to get to the bottom of how foreign financiers in the period from 2012 to August 2015 could drain the Danish treasury of a staggering 12.7 billion kroner in dividend tax refunds. Well notice without Tax discovering it, although internally there were numerous warnings about problems with control in the area.

- I had an expectation that if there had been serious cases, then it would have been laid up for me. But I was not informed at any point. There are some who have failed in this context, says Benny Engelbrecht after today's interrogation.

*So you never got any warnings that something could be wrong in the dividend area?*

- Unfortunately not. I wish I had been warned about that.

### **Minister would have intervened**

Benny Engelbrecht was Minister of Taxation from September 2014 to June 2015 and thus in the period when the alleged fraud was running at the very highest pace, with billions flowing out of the treasury .

According to the Danish authorities, this is a large number of scams that foreign financiers were behind.

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**I gave a clear instruction to the Tax that if there were reports of foreign tax cases, then the Minister should be informed.**

BENNY ENGELBRECHT (S), FORMER MINISTER OF TAXATION

But it is also a case in which numerous warnings over many years of lack of control in the area never led to workable solutions.

And Benny Engelbrecht is in no doubt that those warnings should have reached both his and his predecessors' ministerial table - and the

responsibility lies somewhere among the officials, the former tax minister believes.

- Of course you should have involved the ministers who were, and it's not just about me, he says with reference to the fact that there were a total of six tax ministers in the period from 2012 to 2015.

- Regardless of which minister had been sitting, I am convinced that the sitting minister would have chosen to intervene if the seriousness of this area had been known.

### **Concrete errors**

The former tax minister points to three specific errors.

The payments of reimbursement to foreign shareholders increased drastically month by month while he was Minister of Taxation, but the development in the monthly statements was never presented to the Minister.

In addition, the payment area where the dividend administration was located was considered high risk, which Benny Engelbrecht was never told either.

And finally, in the spring of 2015, Benny Engelbrecht gave a clear message to Skat that the Minister should be informed if there was information about problems with foreign taxation.

- I gave a clear instruction to Skat that if there were reports of foreign tax cases, then the minister should be informed, says Engelbrecht.



The press interviews Benny Engelbrecht when he came out of the Tax Commission. (Photo: liselotte sabroe © Scanpix)

In mid-June, a Danish lawyer warned after a conversation with a client in England that there was probably a large fraud number with dividend tax underway, and that the culprit was a certain Sanjay Shah, who today is still the main suspect in the Bagmandspolitiet's investigation of the case.

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Den formodede svindel for 12,7 milliarder kroner er startet i

But neither in the period up to June 28, when Karsten Lauritzen (V) became the new tax minister, nor over the summer, the minister was informed as it should have happened, according to Benny Engelbrecht.

Only seven weeks after the notification, when the British tax authorities had also warned about the fraud number, did Tax stop making the payments, and only at the end of August 2015 was Karsten Lauritzen informed, according to the many interrogations in the Tax Commission.

### **The responsibility**

The head of the Ministry of Taxation at the time was Jens Brøchner, and he is still the highest official in the Ministry of Taxation.

Brøchner has explained over two lengthy interrogations in the Tax Commission that the warnings did not reach him either. Whether this is a credible explanation, Benny Engelbrecht will leave it up to the Tax Commission to decide.

But Engelbrecht has no doubt that the head of department is responsible for the system working so that important matters land on the minister's table.

- In the end, of course it is. But it is also clear that the precise course of action is for the Commission to draw conclusions. I should not interfere in that.

### **Nothing points to ministers**

Benny Engelbrecht's statement that neither he nor other ministers were warned about the problems before the scandal became publicly known in August 2015 has been provisionally confirmed by the large written material presented in the Tax Commission.

A total of nine tax ministers who sat in the period 2010 to 2017 are to be questioned. So far, Kristian Jensen (V), Troels Lund Poulsen (V), Peter Christensen (V), Thor Möger Pedersen (SF), Holger K. Nielsen (SF), Jonas Dahl (SF), Morten Østergaard (R) and Benny Engelbrecht (S) been questioned.

They have all been told that they were never presented with problems in the area of dividends.

Both heads of department during the period, Peter Loft and Jens Brøchner, have also confirmed that they did not talk to the ministers about problems in the area of dividends.

While Peter Loft has acknowledged a co-responsibility for not following up sufficiently on a critical audit report from 2010, Jens Brøchner has maintained over two interrogations that he was never presented with problems to the extent that he should have reacted.

After more than 100 interrogations about the dividend tax case, the Tax Commission now only needs to interrogate Karsten Lauritzen (V). That

interrogation is scheduled for Dec. 8.

It is still unknown whether the Tax Commission will present an independent report on the dividend tax area, or whether the Tax Commission will wait and present a comprehensive report when it has also examined the other problems in Tax in 2023.

## Articles from interrogations

- DR has covered the Tax Commission in detail. You can read more minutes below:
- Head of Department Jens Brøchner  
<<https://www.dr.dk/nyheder/penge/haarde-konfrontationer-i-skattekommissionen-departementschef-afviser-ansvar-i>>.
- Former Head of Department Peter Loft  
<<https://www.dr.dk/nyheder/penge/tidligere-skatte-topchef-jeg-har-et-medansvar-men-det-er-der-flere-der-har>>.
- Former director of Taxation Jesper Rønnow Simonsen  
<<https://www.dr.dk/nyheder/penge/fyret-topchef-i-skat-om-milliardsvindel-jeg-havde-uddelegeret-ansvaret>>.
- Former head of department Andreas Berggreen  
<<https://www.dr.dk/nyheder/penge/skatteskandalen-alle-sender-aben-videre>>.
- Former director of recovery Jens Sørensen  
<<https://www.dr.dk/nyheder/penge/arbejdsgruppe-i-skat-loeste-problemerne-samtidig-fossede-udbytte-milliarder-ud-af>>.
- Former department head Lisbeth Rømer  
<<https://www.dr.dk/nyheder/penge/udbyttechef-fortryder-ikke-have-taget-svindelmistaenkte-med-paa-sightseeing-det-tog>>.



- Former Deputy Director René Frahm Jørgensen  
<<https://www.dr.dk/nyheder/penge/tidligere-skattedirektoer-i-skudlinjen-godkendte-maanedsregnskaber-mens-pengene>>.
- Former Vice President Richard Hanlov  
<<https://www.dr.dk/nyheder/penge/tidligere-chef-i-skat-beskylder-karsten-lauritzen-politisk-indblanding-i-hjemsendelser>>.
- Former head of department Dorthe Pannerup Madsen  
<<https://www.dr.dk/nyheder/penge/tidligere-leder-i-skat-om-udbyttesagen-det-hele-var-saa-uvirkeligt>>.
- Former operations director Jim Sørensen  
<<https://www.dr.dk/nyheder/penge/kendt-skattedirektoer-skulle-skaere-21-procent-samtidig-toppede-svindelen-127-milliarder>>.
- Former tax director Lars Nørding  
<<https://www.dr.dk/nyheder/penge/skattedirektoer-om-aarelange-besparelser-kontrollen-var-det-eneste-sted-man-kunne>>.

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